

Kalkaska Memorial Health Center

Balance Sheet

Assets	January 31, 2022	June 30, 2021
Current Assets		
Cash and Cash Equivalents	\$ 24,507,066	\$ 8,941,754
Short-Term Investments	7,790,337	7,923,659
Accounts Receivable	9,338,415	6,905,864
Third Party Settlements	936,316	1,828,175
Due from Affiliates	6,560	1,786
Inventory	472,134	192,714
Other Current Assets	177,660	169,722
Total Current Assets	43,228,488	25,963,674
Investments	-	832,328
Capital Assets (net of Accumulated Depreciation)	35,297,711	36,502,459
Land	1,364,151	1,364,151
Construction In Progress	1,725,406	1,435,478
Other Assets		
Restricted Cash	5,682,107	14,568,991
Other Assets	104,609	102,496
Total Other Assets	5,786,716	14,671,487
Total Assets	\$ 87,402,472	\$ 80,769,577
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	1,194,646	1,562,570
Accrued Compensation	3,800,619	5,011,549
Third Party Liabilities	3,537,682	3,011,634
Due to Affiliates	3,377,657	2,075,767
Other Current Liabilities	3,386,562	7,039,210
Total Current Liabilities	16,516,622	19,920,186
Long-Term Debt - Less Current Maturities	5,528,592	5,684,759
Other Long-Term Liabilities	20,000	550,000
Deferred Liabilities	12,070	8,420
Total Liabilities	22,077,284	26,163,365
Net Assets		
Invested in Capital Assets, net of Related Debt	37,268,225	38,026,878
Unrestricted	28,056,963	16,579,334
Total Net Assets	65,325,188	54,606,212
Total Liabilities and Net Assets	\$ 87,402,472	\$ 80,769,577

Kalkaska Memorial Health Center

Statement of Operations

	Month of January 2022				Year to Date Ended January 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 87,150	\$ 99,062	\$ (11,912)	\$ 73,045	\$ 832,939	\$ 677,635	\$ 155,304	\$ 581,939
Outpatient	6,833,228	5,045,529	1,787,699	4,577,332	44,396,890	35,964,129	8,432,761	33,952,558
Professional	1,224,414	993,694	230,720	1,042,667	8,171,709	7,275,685	896,024	6,764,898
Long Term Care	991,882	972,087	19,795	919,055	6,688,355	6,767,362	(79,007)	6,352,725
Dialysis Center	655,935	735,254	(79,319)	701,358	4,920,398	5,321,095	(400,697)	5,308,699
Ambulance	333,989	315,555	18,434	282,970	2,271,644	2,412,470	(140,826)	2,099,705
Retail Pharmacy	121,421	116,155	5,266	130,449	849,684	840,788	8,896	795,294
Assisted Living	93,372	98,114	(4,742)	90,796	647,365	680,550	(33,185)	685,654
	<u>10,341,391</u>	<u>8,375,450</u>	<u>1,965,941</u>	<u>7,817,672</u>	<u>68,778,984</u>	<u>59,939,714</u>	<u>8,839,270</u>	<u>56,541,472</u>
Revenue Deductions:								
Contractual Allowances	4,676,730	3,730,569	(946,161)	3,560,691	30,212,165	26,041,486	(4,170,679)	25,221,246
Provision Charity Care	23,876	26,813	2,937	11,451	170,208	186,111	15,903	150,561
Provision for Bad Debt	126,345	161,013	34,668	25,941	1,010,035	1,129,641	119,606	792,074
	<u>4,826,951</u>	<u>3,918,395</u>	<u>(908,556)</u>	<u>3,598,083</u>	<u>31,392,408</u>	<u>27,357,238</u>	<u>(4,035,170)</u>	<u>26,163,881</u>
Net Patient Revenues	5,514,440	4,457,055	1,057,385	4,219,589	37,386,576	32,582,476	4,804,100	30,377,591
Other Operating Revenues	468,948	255,362	213,586	319,812	2,803,672	1,900,064	903,608	2,831,750
Total Operating Revenue	<u>5,983,388</u>	<u>4,712,417</u>	<u>1,270,971</u>	<u>4,539,401</u>	<u>40,190,248</u>	<u>34,482,540</u>	<u>5,707,708</u>	<u>33,209,341</u>
Operating Expenses								
Salaries and Wages	2,996,554	2,422,881	(573,673)	2,611,775	18,694,579	16,773,796	(1,920,783)	16,424,864
Fringe Benefits	697,488	638,388	(59,100)	712,989	4,556,309	4,435,968	(120,341)	4,472,615
Contract Labor	32,360	32,731	371	18,131	219,035	227,317	8,282	199,033
Physician Fees	89,909	95,584	5,675	58,459	483,977	688,396	204,419	441,878
Purchased Services	541,628	537,098	(4,530)	546,963	3,911,433	3,810,587	(100,846)	4,316,897
Pharmaceuticals	536,579	334,281	(202,298)	308,471	3,422,387	2,403,096	(1,019,291)	2,662,795
Supplies	322,125	280,696	(41,429)	256,731	2,287,758	1,996,158	(291,600)	1,988,521
Occupancy	118,255	96,798	(21,457)	66,005	766,854	664,910	(101,944)	592,816
Equipment, Software & Maintenance	45,999	62,473	16,474	84,839	387,106	452,023	64,917	431,934
Depreciation	246,019	231,407	(14,612)	222,104	1,683,094	1,619,849	(63,245)	1,561,571
Insurance	54,270	50,679	(3,591)	40,744	371,144	354,753	(16,391)	334,413
Other	48,071	43,146	(4,925)	29,683	291,167	296,695	5,528	217,619
	<u>5,729,257</u>	<u>4,826,162</u>	<u>(903,095)</u>	<u>4,956,894</u>	<u>37,074,843</u>	<u>33,723,548</u>	<u>(3,351,295)</u>	<u>33,644,956</u>
Less Shared Services	574	-	574	-	13,883	2,400	11,483	-
Total Operating Expenses	<u>5,728,683</u>	<u>4,826,162</u>	<u>(902,521)</u>	<u>4,956,894</u>	<u>37,060,960</u>	<u>33,721,148</u>	<u>(3,339,812)</u>	<u>33,644,956</u>
Income from Operations before Grant Revenue from COVID-19	254,705	(113,745)	368,450	(417,493)	3,129,288	761,392	2,367,896	(435,615)
Grant Revenue COVID-19	-	-	-	200,000	711,984	-	711,984	1,287,598
Paycheck Protection Program Loan Forgiveness	-	-	-	-	6,164,700	-	6,164,700	-
Operating Income	254,705	(113,745)	368,450	(217,493)	10,005,972	761,392	9,244,580	851,983
Non-Operating Income (Expense)								
Reserved for Bond Debt	116,805	117,428	(623)	112,276	818,869	814,420	4,449	784,439
Interest on Debt Related to Capital Assets	(17,130)	(17,628)	498	(20,136)	(120,727)	(124,185)	3,458	(141,752)
Unrealized Gain/Loss on LT Investments	(7,335)	-	(7,335)	(3,118)	(17,317)	-	(17,317)	(31,612)
Tax Levy Revenue	730	684	46	674	5,110	4,788	322	4,718
Contributions	-	150	(150)	-	2,113	1,050	1,063	1,095
Other Income (Loss)	3,572	6,750	(3,178)	4,382	24,956	47,250	(22,294)	66,964
Total Non-Operating Income (Expense)	<u>96,642</u>	<u>107,384</u>	<u>(10,742)</u>	<u>94,078</u>	<u>713,004</u>	<u>743,323</u>	<u>(30,319)</u>	<u>683,852</u>
Total Increase (Decrease) in Net Assets	<u>\$ 351,347</u>	<u>\$ (6,361)</u>	<u>\$ 357,708</u>	<u>\$ (123,415)</u>	<u>\$ 10,718,976</u>	<u>\$ 1,504,715</u>	<u>\$ 9,214,261</u>	<u>\$ 1,535,835</u>

Statement of Cash FlowsSeven Months Ending
January 31, 2022**Cash flow from operating activities**

Received from patients and third-party payors	\$	36,367,158
Payments to employees		(24,461,818)
Payments to suppliers for services and goods		(15,659,368)
Other receipts from operations		9,685,466
Net cash provided by operating activities		<u>5,931,438</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(768,274)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		818,869
Interest paid on long-term debt		(120,727)
Principal payments on bonds and notes payable		(156,167)
Net cash used in capital and related financing activities		<u>(226,299)</u>

Cash flow from investing activities

Investment income		7,639
Sale of short-term investments		133,322
Net activity of investments internally designated for capital acquisitions		832,328
Net cash provided by investing activities		<u>973,289</u>

Net increase in cash and cash equivalents		6,678,428
Cash and cash equivalents at beginning of year		23,510,745
Cash and cash equivalents at end of period	\$	<u><u>30,189,173</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	10,005,972
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,683,094
Provision for uncollectible accounts		1,010,035
Operating tax levy		5,110
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(3,447,360)
Third-party settlements		891,859
Inventory		(279,420)
Other current assets		(7,938)
Increase (decrease) in liabilities:		
Trade accounts payable		933,966
Accrued Compensation		(1,210,930)
Third Party Settlements		526,048
Other accrued liabilities		(4,178,998)
Net cash provided by operating activities	\$	<u><u>5,931,438</u></u>

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Statement of Changes in Net Assets Seven Months Ending January 31, 2022

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2020	\$ 31,663,831	\$ 17,985,240	\$ 49,649,071
Acquisition and construction of capital assets	2,263,093		3,665,276
Depreciation	(2,794,817)		(2,605,609)
Sale of Capital Assets	12,452		53,341
Net Change in Debt	1,253,314		1,217,859
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		4,223,099	(450,120)
Increase (Decrease) in Net Assets	734,042	4,223,099	1,880,747
Net Assets at June 30, 2021	32,397,873	22,208,339	54,606,212
Acquisition and construction of capital assets	768,274		768,274
Depreciation	(1,683,094)		(1,683,094)
Net Change in Debt	156,167		156,167
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		11,477,629	11,477,629
Increase (Decrease) in Net Assets	(758,653)	11,477,629	10,718,976
Net Assets at January 31, 2022	\$ 31,639,220	\$ 33,685,968	\$ 65,325,188

Kalkaska Memorial Health Center

Statistical Report

	Month of January 2022				Year to Date Ended January 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	13	18	(5)	11	105	124	(19)	92
Long Term Care	17	14	3	14	98	101	(3)	112
Extended Stays	14	13	1	11	95	91	4	77
PATIENT DAYS:								
Acute Care	45	43	2	29	389	298	91	229
Long Term Care-Skilled	265	254	11	199	1,545	1,760	(215)	1,167
Long Term Care-Basic	2,271	2,480	(209)	2,468	16,728	17,200	(472)	17,383
Extended Stays	24	5	19	8	51	35	16	51
AVERAGE LENGTH OF STAY:								
Acute Care	3.5	2.4	1.1	2.6	3.7	2.4	1.3	2.5
DAILY AVERAGE CENSUS:								
Acute Care	1.5	1.4	0.1	0.9	1.8	1.4	0.4	1.1
Long Term Care	81.8	88.2	(6.4)	86.0	85.0	88.2	(3.2)	86.3
PERCENT OF OCCUPANCY:								
Acute Care	18.1%	17.3%	0.8%	11.7%	22.6%	17.3%	5.3%	13.3%
Long Term Care	78.7%	84.8%	-6.1%	82.7%	81.7%	84.8%	-3.1%	83.0%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,173	901	272	743	8,369	7,070	1,299	5,155
Urgent Care	2	0	2	189	420	0	420	1,603
Walk-in Clinic	442	250	192	0	3,006	1,810	1,196	0
Primary Care Physician RVU's	7,793	4,857	2,936	5,117	42,806	35,154	7,652	30,784
Primary Care Physician Encounters	4,818	3,515	1,303	3,892	25,921	25,441	480	21,433
Specialty Clinics	267	367	(100)	489	2,614	2,659	(45)	2,411
KMA Clinic RVU's	6,316	5,775	541	5,660	46,067	41,800	4,267	33,309
Total Outpatient Visits	6,929	6,988	(59)	6,580	50,023	48,464	1,559	48,261
Surgical Procedures	100	103	(3)	101	763	746	17	672
Radiology	2,417	2,133	284	2,014	17,266	14,793	2,473	14,384
Laboratory	18,162	17,307	855	16,298	132,362	119,709	12,653	116,430
Physical Therapy	3,052	3,148	(96)	2,612	23,154	22,776	378	21,327
Chemo Therapy	350	307	43	302	2,847	2,220	627	1,883
Dialysis Treatments	566	658	(92)	662	4,267	4,762	(495)	4,798
Ambulance Transports	239	217	22	193	1,577	1,659	(82)	1,448
Assisted Living Days	959	1,005	(46)	948	6,562	6,971	(409)	7,051
Cost per adjusted IP and LTC day:	210.08	204.98	5.10	213.48	198.64	200.32	(2)	199.01
TOTAL FTE'S:	456	410	(46)	426	449	428	(21)	415

Kalkaska Memorial Health Center

Additional Financial Information

	January 31, 2022
MTD % increase in net revenue vs. prior year	30.69%
MTD % increase in expense vs. prior year	15.57%
	<u>15.12%</u>
YTD % increase in net revenue vs. prior year	23.07%
YTD % increase in expense vs. prior year	10.15%
	<u>12.92%</u>
LTC Expense per Critical Unit - MTD	\$ 241.20
LTC Expense per Critical Unit - YTD	\$ 239.55
Ambulance Days in AR YTD	64.01
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ (30,497)
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(211,643)
Average Age of Plant (as of 1/31/22)	11.96
Debt to Capitalization Ratio	0.09

Net Revenue Analysis

	Month of January 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.8%	1.2%	-0.3%
Outpatient	66.1%	60.2%	5.8%
Professional	11.8%	11.9%	0.0%
Long-Term Care	9.6%	11.6%	-2.0%
Dialysis Center	6.3%	8.8%	-2.4%
Ambulance	3.2%	3.8%	-0.5%
Retail Pharmacy	1.2%	1.4%	-0.2%
Assisted Living	0.9%	1.2%	-0.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.2%	44.5%	-0.7%
Charity Care	0.2%	0.3%	0.1%
Bad Debt	1.2%	1.9%	0.7%
Total Revenue Deductions	<u>46.7%</u>	<u>46.8%</u>	<u>0.1%</u>
	Year to Date Ended January 31, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.2%	1.1%	0.1%
Outpatient	64.6%	60.0%	4.5%
Professional	11.9%	12.1%	-0.3%
Long-Term Care	9.7%	11.3%	-1.6%
Dialysis Center	7.2%	8.9%	-1.7%
Ambulance	3.3%	4.0%	-0.7%
Retail Pharmacy	1.2%	1.4%	-0.2%
Assisted Living	0.9%	1.1%	-0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	43.9%	43.4%	-0.5%
Charity Care	0.2%	0.3%	0.1%
Bad Debt	1.5%	1.9%	0.4%
Total Revenue Deductions	<u>45.6%</u>	<u>45.6%</u>	<u>0.0%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	27.01%	22.54%	0.14%	18.03%	13.97%	7.12%	9.00%	2.21%	100.00%
LTC	12.97%	13.57%	58.65%	0.00%	0.00%	3.56%	0.00%	11.25%	100.00%
ER	19.14%	16.24%	0.00%	30.83%	15.31%	6.98%	8.12%	3.37%	100.00%
OR	23.68%	32.78%	0.00%	12.36%	16.22%	6.70%	7.98%	0.29%	100.00%

YTD 2021

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	29.64%	22.29%	0.34%	16.97%	13.17%	6.53%	8.10%	2.96%	100.00%
LTC	11.30%	10.50%	59.94%	0.00%	0.00%	4.48%	0.00%	13.78%	100.00%
ER	20.22%	15.93%	0.00%	30.26%	14.16%	7.54%	8.00%	3.90%	100.00%
OR	23.11%	22.39%	0.00%	18.84%	15.90%	7.80%	11.60%	0.36%	100.00%

YTD 2020

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	32.78%	18.49%	0.30%	17.39%	14.81%	5.76%	7.57%	2.89%	100.00%
LTC	14.75%	9.87%	55.12%	0.00%	0.07%	6.65%	0.00%	13.54%	100.00%
ER	23.86%	12.91%	0.00%	28.30%	15.13%	6.72%	7.64%	5.43%	100.00%
OR	21.94%	18.12%	0.00%	27.92%	15.98%	6.10%	9.61%	0.33%	100.00%

YTD 2019

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	35.31%	14.95%	0.51%	17.51%	17.15%	5.26%	7.23%	2.08%	100.00%
LTC	13.43%	5.66%	64.30%	0.00%	0.06%	4.94%	0.00%	11.62%	100.00%
ER	27.44%	10.47%	0.00%	27.59%	15.95%	6.08%	6.93%	5.54%	100.00%
OR	26.38%	12.35%	0.00%	28.65%	18.96%	4.56%	8.20%	0.90%	100.00%

YTD 2018

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	37.43%	12.47%	0.87%	18.88%	14.78%	6.97%	6.62%	1.98%	100.00%
LTC	12.87%	4.54%	65.37%	0.00%	0.04%	4.33%	0.00%	12.85%	100.00%
ER	26.07%	8.58%	0.00%	30.48%	14.53%	8.06%	5.80%	6.48%	100.00%
OR	29.87%	8.13%	0.00%	32.16%	15.21%	3.47%	11.07%	0.08%	100.00%